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CFTC Orders Cargill de México SA De CV to Pay \$500,000 for Unlawfully Executing Wash Sales on the CBOT and KCBT

Washington, DC – The U.S. Commodity Futures Trading Commission (CFTC) today issued an Order filing and simultaneously settling charges against commodities trading company **Cargill de México SA De CV** (Cargill de México) for executing wash trades involving corn, soybean, and wheat futures contracts on the Chicago Board of Trade (CBOT) and wheat futures contracts on the Kansas City Board of Trade (KCBT). The CFTC order requires that Cargill de México pay a \$500,000 civil monetary penalty.

The Order finds that on multiple occasions between March 2010 and August 2014 Cargill de México engaged in wash sales and unlawful non-competitive transactions in certain agricultural futures products, including corn, soybeans, and wheat on the CBOT, as well as in hard red wheat traded on the KCBT. Before orders for these trades were entered on an exchange, Cargill de México employees, either acting alone or with another employee, entered equal and opposite transactions in the same futures contract for another account that was also owned by Cargill de México, and matched the product, quantity, price, and timing of those orders and trades. The Order finds that by so prearranging, structuring, and entering these orders, which negated the risk incidental to an open and competitive marketplace, Cargill de México also engaged in noncompetitive transactions.

In addition to imposing the \$500,000 civil monetary penalty, the Order also requires Cargill de México to comply with certain undertakings. First, the Order requires Cargill de México to conduct training for certain personnel addressing the ethics, compliance, and legal requirements of the Commodity Exchange Act (CEA) and CFTC regulations with regard to prearranged, fictitious, or noncompetitive trading. Second, the Order requires Cargill de México to submit a report to the CFTC's Division of Enforcement representing (i) that Cargill de México has adopted policies and procedures designed to prevent any potential prearranged, fictitious, or noncompetitive trading in violation of the CEA and CFTC regulations, (ii) that Cargill de México has conducted certain training sessions for relevant personnel, and (iii) that Cargill de México has begun using the self-match prevention technology available on the front end system provided by its primary clearing firm. Finally, the Order requires Cargill de México to cease and desist from further violations of Section 4c(a)(1) of the CEA and CFTC Regulation 1.38(a), as charged.

The CFTC thanks the CME Group, Inc. for its assistance in this matter.

CFTC Division of Enforcement staff members responsible for this case are Trevor Kokal, James G. Wheaton, Lenel Hickson Jr., and Manal M. Sultan.

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